

**Senate Study Bill 3195 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON DAWSON)

**A BILL FOR**

1 An Act relating to civil liability and associated insurance  
2 requirements of alcoholic beverage licensees or permittees  
3 who also sell or serve consumable hemp products.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, Code 2024, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 15A. *“Consumable hemp product”* means the  
4 same as defined in section 204.2.

5 Sec. 2. Section 123.92, subsection 1, Code 2024, is amended  
6 to read as follows:

7 1. *a.* Subject to the limitation amount specified in  
8 paragraph *“c”* or *“d”*, if applicable, any third party who is  
9 not the intoxicated person who caused the injury at issue and  
10 who is injured in person or property or means of support by  
11 an intoxicated person or resulting from the intoxication of a  
12 person, has a right of action for damages actually sustained,  
13 severally or jointly against any licensee or permittee, whether  
14 or not the license or permit was issued by the department or  
15 by the licensing authority of any other state, who sold and  
16 served any ~~alcoholic beverage~~ of the following directly to  
17 the intoxicated person, provided that the person was visibly  
18 intoxicated at the time of the sale or service:

19 (1) Any alcoholic beverage.

20 (2) Any consumable hemp product, if the licensee or  
21 permittee is also registered to sell consumable hemp products  
22 under section 204.7 or by another jurisdiction.

23 *b.* If the injury was proximately caused by an intoxicated  
24 person, a permittee or licensee may establish as an affirmative  
25 defense that the intoxication did not contribute to the  
26 injurious action of the person.

27 *c.* The total amount recoverable by each plaintiff in any  
28 civil action for noneconomic damages for personal injury,  
29 whether in tort, contract, or otherwise, against a licensee or  
30 permittee who sold and served any alcoholic beverage giving  
31 rise to such civil action but who did not sell or serve any  
32 consumable hemp product giving rise to such civil action, shall  
33 be limited to two hundred fifty thousand dollars for any injury  
34 to or death of a person, unless the jury determines that there  
35 is a substantial or permanent loss or impairment of a bodily

1 function, substantial disfigurement, or death, which warrants a  
2 finding that imposition of such a limitation would deprive the  
3 plaintiff of just compensation for the injuries sustained.

4 d. The total amount recoverable by each plaintiff in any  
5 civil action for noneconomic damages for personal injury,  
6 whether in tort, contract, or otherwise, against a licensee  
7 or permittee who sold and served any consumable hemp product  
8 giving rise to such civil action, regardless of whether the  
9 licensee or permittee also sold and served any alcoholic  
10 beverage giving rise to such civil action, shall be limited  
11 to five hundred thousand dollars for any injury to or death  
12 of a person, unless the jury determines that there is a  
13 substantial or permanent loss or impairment of a bodily  
14 function, substantial disfigurement, or death, which warrants a  
15 finding that imposition of such a limitation would deprive the  
16 plaintiff of just compensation for the injuries sustained.

17 Sec. 3. Section 123.92, subsection 2, paragraph c, Code  
18 2024, is amended to read as follows:

19 c. The purpose of dramshop liability insurance is to provide  
20 protection for members of the public who experience damages as  
21 a result of licensees serving patrons any alcoholic beverage  
22 or consumable hemp product to a point that reaches or exceeds  
23 the standard set forth in law for liability. Minimum coverage  
24 requirements for such insurance are not for the purpose of  
25 making the insurance affordable for all licensees regardless  
26 of claims experience. A dramshop liability insurance policy  
27 obtained by a licensee shall meet the minimum insurance  
28 coverage requirements as determined by the department and is a  
29 mandatory condition for holding a license.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with  
32 the explanation's substance by the members of the general assembly.

33 This bill relates to civil liability and associated  
34 insurance requirements of alcoholic beverage licensees or  
35 permittees who also sell or serve consumable hemp products.

1 Current law provides for civil liability and insurance  
2 requirements for alcoholic beverage licensees and permittees  
3 who sell and serve alcoholic beverages to a visibly intoxicated  
4 person (dramshop Act). The bill expands the applicability  
5 of the dramshop Act to include a licensee or permittee who  
6 sells or serves any consumable hemp product (CHP), if the  
7 licensee or permittee is also registered to sell CHPs in Iowa  
8 (Code section 204.7) or by another jurisdiction. The total  
9 amount recoverable by each plaintiff in any civil action for  
10 noneconomic damages for personal injury against a licensee  
11 or permittee who sold and served any CHP giving rise to  
12 such civil action is limited to \$500,000 for any injury or  
13 death of a person, unless the jury determines that there is  
14 a substantial or permanent loss or impairment of a bodily  
15 function, substantial disfigurement, or death, which warrants  
16 a finding that imposition of such a limitation would deprive  
17 the plaintiff of just compensation for the injuries sustained.  
18 Under current law, the limitation applicable to selling  
19 and serving alcoholic beverages is \$250,000, with a similar  
20 exception.

21 Current law prohibits a person from selling, dispensing,  
22 or giving to an intoxicated person, or one simulating  
23 intoxication, any alcoholic beverage (Code section 123.49(1)).  
24 A person who violates this provision is guilty of a simple  
25 misdemeanor and the violation is also grounds for the  
26 suspension or revocation of an alcohol license (Code section  
27 123.50). The bill does not apply these provisions to CHPs.